

DAN FORM HOLDINGS COMPANY LIMITED

REMUNERATION COMMITTEE – TERMS OF REFERENCE

Established on 13th September, 2005 pursuant to the Code on Corporate Governance Practices effective on 1st January, 2005 and by the minutes of the board (the “Board”) of directors (the “Directors”) of the Company dated 13th September, 2005.

Revised on 29th March, 2012 pursuant to the Code on Corporate Governance Practices effective on 1st April, 2012. The Board reaffirmed and amended and modified some relevant provisions relating to the terms of reference of the remuneration committee already promulgated and implemented by the Company.

Some provisions were reaffirmed and supplemented at the board on 22nd August, 2012 (and will be amended and updated from time to time in the future), which are hereby announced as below. If the original version is inconsistent with the updated version, the updated version shall prevail.

1. Membership

- 1.1 The Remuneration Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive Directors.
- 1.2 The Chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.

2. Secretary

- 2.1 The Company Secretary shall be the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Remuneration Committee.

3. Frequency and attendance at meetings

- 3.1 The Remuneration Committee shall meet at least once a year.
- 3.2 Notice of any meeting has to be given at least 14 days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the member. Notice of any adjourned meetings is not required if adjournment

is for less than 14 days.

- 3.3 The quorum for the Remuneration Committee meeting shall be any two members.
- 3.4 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.5 Resolutions of the Remuneration Committee at any meeting shall be passed by a majority of votes of the members present.
- 3.6 A resolution in writing signed by all the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.7 Minutes shall be kept by the secretary of the Remuneration Committee. Draft and final versions of minutes shall be circulated to all members of the Remuneration Committee for their comment and records respectively, in both cases within 14 days after the meeting. Such minutes shall be opened for Directors' inspection.
- 3.8 At the invitation of the Remuneration Committee, the Chairman of the Board and/or Chief Executive and/or Deputy Chief Executive, external advisers and other persons may be invited to attend all or part of any meetings.
- 3.9 Only members of the Remuneration Committee are entitled to vote at the meetings.

4. Annual General Meeting

- 4.1 The Chairman of the Remuneration Committee or another member of the Remuneration Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and their responsibilities.

5. Duties and Responsibility

The Remuneration Committee shall have the following duties and responsibility:-

- 5.1 to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 5.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- 5.3 either: (a) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (b) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 5.4 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 5.5 to make recommendations to the Board on remuneration of non-executive directors.
- 5.6 to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 5.7 to review and approved compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- 5.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- 5.9 to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules.

6. Reporting Responsibilities

- 6.1 The Remuneration Committee shall report to the Board their decisions or recommendations after each meeting.

7. Authority

- 7.1 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 7.2 The Remuneration Committee is authorised by the Board where necessary to have access to professional advice.
- 7.3 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

8. Publication of the Terms of Reference

- 8.1 The terms of reference will be posted on the websites of the Company and

the Stock Exchange of Hong Kong Limited. A copy of the terms of reference will be made available to any person without charge upon request.